



NEWS RELEASE

CALIFORNIA STATE TREASURER PHIL ANGELIDES

FOR IMMEDIATE RELEASE

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STATE TREASURER ANGELIDES APPLAUDS REJECTION OF TEACHERS' RETIREMENT SYSTEM NOMINEE

*In Aftermath of Governor's Decision to Fire Appointees Who Opposed his Pension Plan,
Angelides Calls for Independent Nominees*

SACRAMENTO, CA – California Treasurer Phil Angelides, who serves as an ex-officio board member of the California State Teachers' Retirement System (CalSTRS) fund, today applauded the State Senate's decision to reject the Governor's nomination of Kathleen Smalley to the CalSTRS board. The Senate Rules Committee voted this afternoon against her confirmation.

In addition to Smalley, the Senate was originally scheduled to consider four additional nominees: Jim Gray, Gloria Hom, Mark Battey and Miguel Pulido; however, the Governor withdrew their nominations one week after they joined the majority of CalSTRS board members in voting against his plan to privatize the teachers' pension plan on February 3rd. The Governor spared Smalley, who voted in support of his pension plan despite calculations by the fund's actuaries showing that the plan would cost California schools and taxpayers \$5.9 billion in its first 10 years.

"The Governor's act of retaliation against his nominees threatens the independence of the teachers' pension fund," said Angelides. "Before additional nominees are considered, California taxpayers and schoolteachers need assurances that Governor Schwarzenegger will allow his appointees to act independently and will not improperly pressure them to disregard their fiduciary responsibility in order to support his agenda."

Treasurer Angelides pointed out that the responsibility of appointees, as stipulated by law, is to uphold their fiduciary duty and protect the teachers' retirement fund. However, gubernatorial spokesperson Ashley Snee confirmed that the appointees were fired for failing to support the Governor's agenda: "The governor concluded that these appointees are not best suited to implement his mission for reform."

One of the erstwhile appointees, Republican Jim Gray, had also been appointed to state boards by the three previous Republican Governors – Ronald Reagan, George Deukmejian and Pete Wilson. Gray told reporters that under previous Governors "in no case was I given marching orders" and suggested that Governor Schwarzenegger expected total subservience from his appointees: "If you have to be in lock step, I guess I shouldn't be one of his appointees."

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